

**Remarks**

This Application has been carefully reviewed in light of the Office Action dated October 6, 2003. Applicants appreciate the Examiner's consideration of the Application. To advance prosecution of the Application, Claims 1, 3, 6-7, 9-10, 12, 18, 20, 23-24, 26-27, 29, 35, 37, 40-41, 43-44, 46, and 52-55 have been amended. Certain of these amendments have not narrowed the claims and none are considered necessary for patentability. Applicants have cancelled Claims 5, 16, 22, 33, 39, and 50 without prejudice or disclaimer. Applicants respectfully request reconsideration and allowance of all pending claims.

**Applicants' Claims Comply with 35 U.S.C. § 112, Second Paragraph**

The Examiner rejects Claims 7-14, 24-31, 41-48, and 53-55 under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which Applicants regard as the invention. Although Applicants believe these claims are definite without amendment, to advance prosecution of this case, Applicants have amended Claims 7, 9-10, 12, 24, 26-27, 29, 41, 43-44, 46, and 53-55 to further clarify the recited limitations. None of these amendments have narrowed the claims. For at least these reasons, Applicants respectfully submit that Claims 7-14, 24-31, 41-48, and 53-55 fully comply 35 U.S.C. § 112, second paragraph, and respectfully request reconsideration and allowance of these claims.

**Applicants' Claims are Allowable over *Beall***

The Examiner rejects Claims 1, 17-19, 34-36, and 51-52 under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent 6,032,145 to Beall, et al. ("*Beall*").

Whether or not *Beall* discloses, teaches, or suggests the limitations of Claims 1, 18, 35, and 52 prior to the amendments presented in this Response (which Applicants believe it does not), *Beall* certainly does not disclose, teach, or suggest the limitations of Claims 1, 18, 35, and 52, as amended. For example: Claim 1 has been amended to incorporate certain limitations substantially similar to those recited in now-cancelled dependent Claims 5 and 12, each of which the Examiner did not reject as being anticipated by *Beall*; Claim 18 has been amended to incorporate certain limitations substantially similar to those recited in now-

cancelled dependent Claims 22 and 33, each of which the Examiner did not reject as being anticipated by *Beall*; Claim 35 has been amended to incorporate certain limitations substantially similar to those recited in now-cancelled dependent Claims 39 and 50, each of which the Examiner did not reject as being anticipated by *Beall*; and Claim 52 has been amended to incorporate certain limitations substantially similar to those recite in now-cancelled dependent Claims 5 and 16, each of which the Examiner did not reject as being anticipated by *Beall*.

For at least these reasons, Applicants respectfully request reconsideration and allowance of independent Claims 1, 18, 35, and 52, as amended, and all claims that depend on independent Claims 1, 18, and 35.

**Applicants' Claims are Allowable over the Section 103 Rejection**

The Examiner rejects Claims 1-7, 15, 17-24, 32, 34-41, 49, and 51-52 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,195,652 to Fish ("*Fish*"). The Examiner rejects Claims 8-14, 16, 25-31, 33, 42-48, 50, and 53-55 under 35 U.S.C. § 103(a) as being unpatentable over *Fish* and patent publication WO 00/34886 ("*WO 00/34886*").

Although Applicants do not necessarily agree that *Fish*, whether considered alone, in combination with *WO 00/34886*, or in combination with knowledge generally available to those of ordinary skill in the art at the time of invention, discloses, teaches, or suggests the limitations recited in Claims 1-55, to advance prosecution of this case, Applicants have amended independent Claims 1, 18, 35, and 52. As discussed above, Applicants have: amended independent Claim 1 to include certain limitations substantially similar to those recited in now-cancelled dependent Claims 5 and 16; amended independent Claim 18 to include certain limitations substantially similar to those recited in now-cancelled dependent Claims 22 and 33; amended independent Claim 35 to include certain limitations substantially similar to those recited in now-cancelled dependent Claims 39 and 50; and amended independent Claim 52 to include certain limitations substantially similar to those recited in now-cancelled dependent Claims 5 and 16. Applicants respectfully submit that *Fish*, whether considered alone, in combination with *WO 00/34886*, or in combination with knowledge

generally available to those of ordinary skill in the art at the time of invention, does not disclose, teach, suggest the limitations of Applicants' claims, as amended. Applicants discuss amended Claim 1 as an example.

**A. Applicants Claims are Allowable over *Fish***

At the outset, Applicants note their agreement with the Examiner that *Fish* "does not explicitly disclose that the system initiates procurement services." (*See*, Office Action, Page 3) However, the Examiner states that "electronic marketplaces are well known in the art, and once a particular item is located – either through a seller database search or an online auction search – the steps for procuring an item are obvious." (Office Action, Page 4) Applicants respectfully disagree with the Examiner's statement that the procurement services, as recited in Claim 1, are obvious and that there would have been any teaching, suggestion, or motivation to modify *Fish* in the manner suggested by the Examiner. At a minimum, this distinction alone would be sufficient to overcome the obviousness rejection with respect to Claim 1 and its dependent claims.

Additionally, *Fish* fails to disclose, teach, or suggest any sort of "recommended options," as recited in Claim 1 both before and after amendment. *Fish* merely discloses a self-evolving generic indexing system and method for storing and retrieving information on multiple types of items. (Column 3, Lines 44-46) The system in *Fish* includes a data structure that stores goods and services as combinations of item classifications, parameters, and values. (Column 4, Lines 63-65) According to *Fish*, a user enters a search item (e.g., sport utility vehicles), and one or more classification schemes are returned to the user. (*See*, Figures 2 and 3A) The user may select a classification scheme, a search is performed, and the results are displayed to the user. The user may further select parameters for modifying the search. The search results appear to be *inclusive of all search results* matching the input classification scheme and input parameters specified by the user, and the system in *Fish* merely allows the buyer to sort the results based on one or more of the parameters (e.g., sort based on price). However, nowhere are any "recommended options" generated from the all-inclusive search results returned in *Fish*.

In any event, Applicants' amendments to Claim 1 provide further patentable distinctions from *Fish*. For example, the Examiner rejected now-cancelled dependent Claim 5 and dependent Claims 6-7 based on *Fish*. However, nowhere does *Fish* disclose, teach, or suggest the limitations of dependent Claims 5-7, whether considered alone, in combination with *WO 00/34886*, or in combination with knowledge generally available to those of ordinary skill in the art at the time of invention.

For example, with respect to the portions of Claim 5 now incorporated in Claim 1, nowhere does *Fish* disclose, teach, or suggest, "each *recommended* option comprising one or more of: a *recommended* purchase from the supplier *currently offering the item at the lowest price consistent with the procurement parameters*," "a *recommended* auction in which the item is *currently being auctioned under circumstances consistent with the procurement parameters*," and "a *recommended reverse auction that may be initiated with respect to the item under circumstances consistent with the procurement parameters*." The search results in *Fish* may include items for sale (*see, e.g.*, Figure 2 and Column 10, Lines 32-40) and items for auction (*see, e.g.*, Column 11, Lines 38-50). As discussed above, the returned search results in *Fish* appear to be *inclusive of all items* matching the input classification scheme and parameters specified by the user. For this reason alone, *Fish* fails to disclose, teach, or suggest "each *recommended* option comprising one or more of: a recommended purchase," "a *recommended* auction," and "a *recommended reverse auction*," as recited in Claim 1 as amended.

Furthermore, with respect to items for sale, *Fish* discloses that one of the parameters a user may specify is price, and the system in *Fish* may return the price of each item found in the search results. The user may sort the *returned* search results based on the price parameter. However, nowhere does *Fish* disclose, teach, or suggest a *recommended* option comprising "a *recommended* purchase from the supplier *currently offering the item at the lowest price consistent with the procurement parameters*," as recited in Claim 1 as amended. With respect to items for auction, again *Fish* discloses that a user may specify "last price bid" or "last bid date" as a parameter for the search, and the user may sort the *returned* search results based on the price parameter. However, nowhere does *Fish* disclose, teach, or suggest

a recommended option comprising "a *recommended* auction in which the item is *currently being auctioned under circumstances consistent with the procurement parameters*," as recited in Claim 1 as amended. Nowhere does *Fish* even mention returning reverse auctions as a search result. Thus, nowhere does *Fish* disclose, teach, or suggest a *recommended* option comprising "a *recommended reverse auction that may be initiated with respect to the item under circumstances consistent with the procurement parameters*," as recited in Claim 1 as amended.

As another example, with respect to dependent Claim 6, nowhere does *Fish* disclose, teach, or suggest, "the circumstances of the *recommended* auction comprising one of: *the date the auction is scheduled to complete is consistent with a delivery date procurement parameter and the last bid is below the lowest price quoted against an acceptable item-supplier combination; the auction is the currently running auction expected to close at the lowest price; and the auction is the currently running auction with the highest probability that the buyer will win the auction with a bid below the lowest price quoted against an acceptable item-supplier combination*," as recited in Claim 6.

Again, *Fish* discloses that a user may specify certain parameters for searching and that these parameters may include "last price bid" and "last bid date." (Column 11, Lines 40-41) In response to these input parameters, the system disclosed in *Fish* may return certain auctions with this parameter information provided for the auctions included in the search results. *Fish* does not disclose, teach, or suggest a delivery date as a possible parameter or, "the last bid being below the lowest price quoted against an acceptable item-supplier combination," let alone "the circumstances of the recommended auction comprising [that] the date the auction is scheduled to complete is consistent with a delivery date procurement parameter and the last bid is below the lowest price quoted against an acceptable item-supplier combination," as recited in Claim 6. Furthermore, nowhere does *Fish* disclose, teach, or suggest an ability to determine whether an "auction is the currently running auction expected to close at the lowest price," as recited in Claim 6. Thus, *Fish* also fails to disclose, teach, or suggest "the circumstances of the recommended auction comprising [that] the auction is the currently running auction with the highest probability that the buyer will win

the auction with a bid below the lowest price quoted against an acceptable item-supplier combination," as recited in Claim 6.

Neither *WO 00/34886* nor knowledge generally available to those of ordinary skill in the art at the time of invention makes up for these deficiencies of *Fish*.

**B. Applicants' Claims are Allowable over the Proposed *Fish-WO 00/34886* Combination**

**1. Certain Limitations are not Disclosed, Taught, or Suggested by the Proposed *Fish-WO 00/34886* Combination**

The Examiner rejected now-cancelled dependent Claims 12 and 16 based on the proposed *Fish-WO 00/34886* combination. In particular, the Examiner states, "What the Fish '652 patent does not disclose is a component of the probability of success in the auctions and reverse auctions." The Examiner states that *WO 00/34886* makes up for this acknowledged deficiency of *Fish*. First, while Applicants agree that *Fish* does not disclose, teach, or suggest a probability of success in an auction or reverse auction, Applicants also submit that other distinctions from *Fish* exist, as discussed above. Second, Applicants disagree that *WO 00/34886* makes up for this acknowledged deficiency of *Fish*.

*WO 00/34886* discloses a buyer-driven system capable of receiving a conditional purchase offer (CPO) from a buyer (e.g., Priceline.com). The system disclosed in *WO 00/34886* screens the received CPOs before submitting them to sellers to determine whether they are statistically likely to be accepted by a seller. If a CPO is determined to be statistically unlikely to be successful, the buyer is notified and may modify the CPO. (See, Page 2, Line 19-Page 3, Line 9)

With respect to dependent Claims 7 and 12, Applicants respectfully submit that the proposed *Fish-WO 00/34886* combination still fails to disclose, teach, or suggest that "the auction is the *currently running auction with the highest probability* that the buyer will win the auction *with a bid below the lowest price quoted against an acceptable item-supplier combination*" and that "the reverse auction has the *highest probability of all evaluated reverse*

*auctions that the buyer will procure the item below the lowest price quoted against the acceptable item-supplier combination," as recited in Claims 7 and 12 respectively. The system disclosed in WO 00/34886 merely receives a particular CPO for a particular type of product or service (an airline ticket) and determines whether it is statistically likely to be accepted by one of a particular pool of sellers. Assuming for the sake of argument only that the CPO disclosed in WO 00/34886 could be equated to the "reverse auction" recited in Claim 12, WO 00/34886 would still only disclose determining the probability of a single CPO (reverse auction) being accepted. Furthermore, there is no disclosure, teach, or suggestion in WO 00/34886 of determining anything related to "a bid below the lowest price quoted against an acceptable item-supplier combination," as recited in Claims 7 and 12. Thus, WO 00/34886 fails to disclose, teach, or suggest that "the auction is the currently running auction with the highest probability that the buyer will win the auction with a bid below the lowest price quoted against an acceptable item-supplier combination" or of "the reverse auction has the highest probability of all evaluated reverse auctions that the buyer will procure the item below the lowest price quoted against the acceptable item-supplier combination," as recited in Claims 7 and 12 respectively.*

Additionally, with respect to dependent Claim 12, Applicants respectfully submit that the proposed *Fish-WO 00/34886* combination fails to disclose, teach, or suggest that "the circumstances of the recommended reverse auction are selected from the group consisting of . . . there are at least a specified number of suppliers that could satisfy a delivery date procurement parameter if the reverse auction lasted for a specified length of time." Neither *Fish* nor *WO 00/34886* discloses, teaches, or suggests this limitation in any manner whatsoever.

Furthermore, with respect to the portions of Claim 16 now incorporated in Claim 1, nowhere does the proposed *Fish-WO 00/34886* combination disclose, teach, or suggest that the server is further operable to "communicate to the buyer a recommended course of action specifying the recommended option that should be selected to give the buyer the best opportunity to procure the item consistent with the procurement parameters and at the lowest price," as recited in Claim 1 as amended. In fact, the Examiner does not specifically address

the limitations recited in dependent Claim 16 in the Office Action. Both *Fish* and *WO 00/34886*, whether considered alone, in combination with one another, or in combination with knowledge generally available to those of ordinary skill in the art at the time of invention, fail to disclose, teach, or suggest this limitation.

## **2. The Proposed *Fish-WO 00/34886* Combination Cannot Be Made**

The rejection of Claim 1 is also improper because the Examiner has not shown the required teaching, suggestion, or motivation in *Fish*, *WO 00/34886*, or in the knowledge generally available to those of ordinary skill in the art at the time of the invention to combine or modify the *Fish* or *WO 00/34886*. The rejected claims are allowable for at least this reason.

The M.P.E.P. sets forth the strict legal standard for finding obviousness based on a combination of references. According to the M.P.E.P., “Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either explicitly or implicitly in the references themselves or in the knowledge [that was] generally available to one of ordinary skill in the art” at the time of the invention. M.P.E.P. 2143.01. The “fact that references can be combined or modified does not render the resultant combination [or modification] obvious unless the prior art also suggests the desirability of the combination” or modification. *Id.* (emphasis in original).

The governing Federal Circuit case law makes this strict legal standard even more clear.<sup>1</sup> According to the Federal Circuit, “a showing of a suggestion, teaching, or motivation to combine . . . prior art references is an essential component of an obviousness holding.” *In re Sang-Su Lee*, 277 F.3d 1338, 1343 (Fed. Cir. 2002) (quoting *Brown & Williamson Tobacco Corp. v. Philip Morris Inc.*, 229 F.3d 1120, 1124-25 (Fed. Cir. 2000)). “Evidence of a suggestion, teaching, or motivation . . . may flow from the prior art references themselves, the knowledge of one of ordinary skill in the art, or, in some cases, the nature of the problem to be solved.” *In re Dembiczak*, 175 F.3d 994, 999 (Fed. Cir. 1999). However, the “range of



sources available . . . does not diminish the requirement for actual evidence.” *Id.* In *In re Dembiczak*, the Federal Circuit reversed a finding of obviousness by the Board of Patent Appeals and Interferences, explaining that proper evidence of a teaching, suggestion, or motivation to combine is essential to avoid impermissible hindsight reconstruction of an applicant's invention:

Our case law makes clear that the best defense against the subtle but powerful attraction of hind-sight obviousness analysis is *rigorous application of the requirement for a showing of the teaching or motivation to combine prior art references*. Combining prior art references without evidence of such a suggestion, teaching, or motivation simply takes the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability—the essence of hindsight.

175 F.3d at 999 (quoting *W.L. Gore & Assoc., Inv. v. Garlock, Inc.*, 721 F.2d 1540, 1553 (Fed. Cir. 1983)) (emphasis added) (citations omitted).<sup>2</sup> Even a determination that it would have been obvious to one of ordinary skill in the art at the time of the invention to try the proposed combination is not sufficient to establish obviousness. *See In re Fine*, 837 F.2d 1071, 1075 (Fed. Cir. 1988).

With regard to the proposed *Fish-WO 00/34886* combination, the Examiner states "It would have been obvious to one having ordinary skill in the art at the time the invention was made to provide the system and method disclosed by the Fish '652 patent with the probability calculator taught in the WO 00/34886 patent publication, in order to increase the likelihood of success for a user of the system of the Fish '652 patent." (Office Action, Page 5) However, *Fish* merely discloses returning auctions in response to a search for products. Nowhere does *Fish* disclose any sort of auction as being recommended versus another auction (e.g., based on the probability of success). Additionally, nowhere does *WO 00/34886* disclose using its probability calculator with any sort of search engine such as the one disclosed in *Fish*. Thus, Applicants respectfully submit that the Examiner's proposed combination of *Fish* with

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<sup>1</sup> Note M.P.E.P. 2145 X.C. ("The Federal Circuit has produced a number of decisions overturning obviousness rejections due to a lack of suggestion in the prior art of the desirability of combining references.").

<sup>2</sup> *See also In Re Jones*, 958 F.2d 347, 351 (Fed. Cir. 1992) ("Conspicuously missing from this record is any evidence, other than the PTO's speculation (if that can be called evidence) that one of ordinary skill in the herbicidal art would have been motivated to make the modification of the prior art salts necessary to arrive at" the claimed invention.).

*WO 00/34886* appears to be merely an attempt, with the benefit of hindsight, to reconstruct Applicants' claims and is unsupported by the teachings of *Fish* and *WO 00/34886*.

For at least these reasons, Applicants respectfully request reconsideration and allowance of independent Claim 1 and its dependent claims. For reasons similar to those discussed above with reference to independent Claim 1, Applicants respectfully request reconsideration and allowance of independent Claims 18, 35, and 52 and their dependent claims.

Independent Claims 53-55 incorporate at least certain limitations substantially similar to the limitations recited in now-cancelled dependent Claims 5, 22, and 39, respectively. For reasons similar to those discussed above with reference to the incorporation of the limitations of dependent Claim 5 into Claim 1, Applicants respectfully request reconsideration and allowance of Claims 53-55.

All of Applicants' arguments and amendments are without prejudice or disclaimer. Additionally, Applicants have merely discussed example distinctions from the *Beall*, *Fish*, and *WO 00/34886* references. Other distinctions may exist, and Applicants reserve the right to discuss these additional distinctions in a later Response or on Appeal, if appropriate. The example distinctions discussed by Applicants are sufficient to overcome the anticipation and obviousness rejections.

**Conclusion**

Applicants have made an earnest attempt to place this case in condition for allowance. For the foregoing reasons, and for other reasons clearly apparent, Applicants respectfully request full allowance of all pending claims.

If the Examiner believes a telephone conference would advance prosecution of this case in any way, the Examiner is invited to contact Christopher W. Kennerly, Attorney for Applicants, at the Examiner's convenience at (214) 953-6812.

A check in the amount of \$110.00 is enclosed to cover the cost of a one-month extension of time. Although Applicants believe no other fees are due, the Commissioner is hereby authorized to charge any fees or credit any overpayments to Deposit Account No. 02-0384 of Baker Botts L.L.P.

Respectfully submitted,

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